

## Message Text

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65

ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 L-03 H-02 PA-01

PRS-01 NSC-05 SS-15 STR-04 CEA-01 /097 W

----- 040728

R 292120Z SEP 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 7007

INFO AMEMBASSY COPENHAGEN

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EO 11652: NA

TAGS: EIND, EINV, PE

SUBJ: FUNDACION BERA SETTLEMENT

REF: LIMA 6324

1. HENRY VAN ZANDT OF CERRO, NEW YORK, TOLD EMBASSY OFFICER SEPTEMBER 25 THAT AGREEMENT FOR SALE OF CERRO SUBSIDIARY "FUNDACION BERA" TO GOP HAS STILL NOT BEEN FINALIZED. HE SAID HE INTENDED TO TRAVEL TO COPENHAGEN DURING THE WEEK OF SEPTEMBER 28 FOR FURTHER CONVERSATIONS WITH CERRO'S DANISH PARTNERS. IN RESPONSE TO EMBASSY OFFICER'S QUESTION, VAN ZANDT AGREED THAT PROBLEM LAY IN RATES OF EXCHANGE AT WHICH COFIDE IS AUTHORIZED TO WORK IN ITS ROLE AS INTERMEDIARY IN BERA'S FINANCING OF ITS OWN BUY-OUT.

2. COMMENT: THIS ASPECT OF THE PROBLEM MAY BE RESOLVED BY THE UNIFICATION OF PERU'S EXCHANGE RATE AT 45 SOLES PER DOLLAR EFFECTIVE SEPTEMBER 29. JUAN LOUMIET OF MORTON SALT (QUIMICA DEL PACIFICO) EARLIER TOLD THE EMBASSY THAT PERUVIAN FINANCIAL AUTHORITIES HAD WARNED COFIDE THAT THE MORTON SALT TRANSACTION (LIMA 7589) WOULD BE

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THE LAST IN WHICH A FOREIGN FIRM LOCATED THE EXTERNAL

FINANCING FOR ITS OWN BUY-OUT. THE REASON WAS THE DIFFERENCE IN EXCHANGE RATES. FOR EXAMPLE, IN THE MORTON CASE, COFIDE ACCEPTED A LITTLE MORE THAN \$4 MILLION FROM THE FOREIGN LENDER AND TURNED THE AMOUNT IN TO THE BANCO DE LA NACION AT S/.38.70 PER DOLLAR. WHEN THE TIME CAME TO BUY DOLLARS TO PAY MORTON, COFIDE HAD TO PAY THE BANCO DE LA NACION AT THE RATE OF S/.43.50 PER DOLLAR. THIS DIFFERENCE OF S/.4.80 PER DOLLAR COST COFIDE APPROXIMATELY S/.20 MILLION, OR ABOUT \$500,000. PRESUMABLY, WITH THE NEW UNITARY RATE, THIS WILL NO LONGER BE A PROBLEM.  
DEAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
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**Draft Date:** 29 SEP 1975  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**TAGS:** EIND, EINV, PE, CERRO, FUNDACION BERA  
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